

**ARIZONA STATE PARKS BOARD
455 N. GALVIN PARKWAY, STONE HOUSE PAVILION
PHOENIX, AZ
JANUARY 15, 2010
MINUTES**

Board Members Present

Reese Woodling, Chairman
Tracey Westerhausen, Vice Chairman
William Scalzo
Arlan Colton
Walter D. Armer
Maria Baier

Board Members Absent

Larry Landry

Staff Members Present

Renée Bahl, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Kent Ennis, Assistant Director, Administration
Debi Busser, Executive Secretary
Ellen Bilbrey, Public Information Officer
Janet Hawks, Chief, Parks
Jeanette Hall, Chief, Human Resources
Brad McNeill, Chief, Information Technology
Doris Pulsifer, Chief, Grants

Assistant Attorney General:

Laurie Hachtel, Assistant Attorney General
Monique Cody, Assistant Attorney General

C. PUBLIC SESSION – CALL TO ORDER – ROLL CALL – Time Certain: 10:00 a.m.

Chairman Woodling called the meeting to Order at 10:10 a.m. Roll call indicated a quorum of the Board was present.

D. INTRODUCTION OF BOARD MEMBERS AND AGENCY STAFF

The Board and agency staff introduced themselves.

Mr. Armer read the Board Statement as follows:

1. **Board Statement** – “As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona’s natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners.”

Chairman Woodling thanked Mr. Jeff Williamson, who invited the Parks Board to use this facility for the day. Mr. Williamson is President of the Arizona Zoological Society and operates the Phoenix Zoo.

E. ELECTION OF BOARD OFFICERS FOR 2010

1. The Board will nominate candidates for and elect their Chair and Vice Chair for the year 2010.

Chairman Woodling turned the gavel over to Mr. Scalzo for this portion of the meeting.

Mr. Scalzo nominated Mr. Reese Woodling to be Chairman of the Arizona State Parks Board for Calendar Year 2010 and Ms. Tracey Westerhausen to serve as Vice Chairman for Calendar Year 2010. There being no other candidates nominated for Chairman or Vice Chairman, Mr. Scalzo made a motion that Mr. Reese Woodling serve as Chairman of the Arizona State Parks Board and that Ms. Tracey Westerhausen serve as Vice Chairman of the Arizona State Parks Board for the Calendar Year of 2010. Ms. Baier seconded the Motion and the Motion carried unanimously with Mr. Landry being Absent.

F. CALL TO THE PUBLIC

Chairman Woodling noted that he received three letters written to the Board that he wished to read into the record.

Chairman Woodling stated that the Board received a letter from the Honorable Al Melvin, State Senator. He read a portion of the letter to the audience (see letter from Senator Melvin attached at the end of these Minutes).

Chairman Woodling stated that the Board received a letter from the Honorable Jerry Weiers, State Representative. He read a portion of the letter to the audience (see letter from Representative Weiers attached at the end of these Minutes).

Chairman Woodling stated that the Board received a letter from Mr. Chip Davis, Supervisor in the Cottonwood, AZ, area. Mr. Davis wrote that he would like the Board to continue to support Fort Verde and Jerome Historic State Parks. The Chairman noted that there is a restoration project at Jerome and this Board is making every effort to try to keep that project going and completed. He requested this letter be added to the public record.

Chairman Woodling stated that he received a very large number of Requests to Speak. He invited Mr. Bill Roe to address the Board.

Mr. Bill Roe, former State Parks Board member addressed the Board and public. He discussed his history with Arizona State Parks (ASP). His history with ASP goes back a quarter of a century. He served on the Arizona Outdoor Recreation Coordinating Commission (AORCC) Board; he was appointed twice (by Governors Babbitt and

Symington) to the ASP Board; he worked on the task force 25 years ago; he served on the Parklands Foundation; was involved in some of the park creations back in the 1980s; and now sits on the ASP Foundation Board. He also sat on a Task Force that Governor Brewer appointed.

Mr. Roe stated that he is truly committed to ASP. He believes we need to begin thinking about a vision to get the parks system back into business. We are the newest and youngest state parks system in the United States. If we lose our system we will be the only state in the United States without a parks system. We must fight to preserve this system. The statute that created the agency states ASP's purposes. They have been accomplished over the years by the addition of park after park after park. He is proud to have participated in Kartchner Caverns State Park, and the addition of San Rafael Ranch (probably the most important natural area in the State). We have built a remarkable system, and we must find ways to protect it. We are not just looking at next year, but 50 years from now; 100 years from now. He urged everyone to get involved in saving our parks system.

Ms. Priscilla Robinson, former Parks Board member, addressed the Board. She noted that we are all very concerned about what happened here. Her message to the Board is to remember; first of all, when money is tight there is a conflict in where to cut and where to spend money. A lot of decisions the Board must make will be based on that conflict. The pressure will be to keep the system open and available to the public. The pressure to protect the resources is nowhere near as intense. But, the Board will have to make the difficult decisions.

Mr. Bob Burnside, Mayor, Town of Camp Verde, addressed the Board. He introduced Council Members and the Town Manager from the Town who accompanied him to this meeting. He stated that his purpose here was to state that they are not looking for a handout; they were not here to complain. They were here because, when Governor Brewer made a special speech last week, she said she is looking for every dollar she can get for our state. She said the suggestion box is open. He welcomes collaboration between the Board's staff and their staff.

Mayor Burnside stated that they have a proposal he hopes the Board will consider. They are here to help the Board. He is asking the Board to give them the opportunity to run Fort Verde State Historic Park for three-to-five years. They are here to help.

Mr. Mark Nexsen, Mayor, Lake Havasu, addressed the Board. He stated that he understands the current situation. He noted that Lake Havasu is not on the closure list. That park needs to be fully staffed. Staff have stated that \$3M is needed for cash flow. He stated that they are anxious to help. They have come up with a Plan B. They are anxious to help with Plan B. He urged a meeting with the City to consummate an agreement to keep the park open. It is very important to the Lake Havasu community and the residents of the State of Arizona. It is not an option to close the park. They want to talk with staff regarding a back-up plan for the City and all of Arizona.

Mr. Stephen J. Filipowicz, City of Apache Junction, addressed the Board. He stated his purpose for being here is to support their commitment to the partnership with ASP in working to preserve the park system and to realize the impact of parks. Apache Junction has been the beneficiary of Heritage Fund grants in the past. Today, he wants to tell the Board that they understand the situation and empathizes with the Board. He stated that the City of Apache Junction pledges to continue to work with the staff at Lost Dutchman State Park to benefit all Arizonans.

Ms. Karen Washabau, Riordan Action Network, addressed the Board. She is speaking today as a member of the Riordan Action Network and to support the park. She noted that the Board needs to make some difficult decisions with far-reaching impacts. She thanked the Parks Board for all they have done thus far. She stated that their network and the Riordan Family are here today to keep the park open, even on a reduced schedule and with minimal staff. The most important reason the park needs to remain open is to provide educational and cultural experiences for the public. It is a unique place.

Ms. Washabau stated that their solution is to have just one paid staff. The Mansion is a historical artifact, and the grounds could be professionally protected and preserved for the future. The park will continue to attract visitors and contribute to the economy. Historical research projects could move forward as well.

Ms. Washabau noted that the park has 25 dedicated volunteers who want to give tours as needed to all who visit the park. Tours could be offered by reservation-only and on weekends and peak vacation times. Reservations have already been made for weddings and large tour groups for 2010, which equates to \$5,000 beyond the normal entry fees. There is potential for even more scheduled events in January and February. With volunteer assistance, and their cycles, with just one staff member the park could remain open.

Ms. Marilyn Ruggles, Riordan Mansion State Historic Park, addressed the Board. She noted that she was speaking with some people in the audience from Scottsdale who are also Riordan Action Network (RAN) members and are very active. She stated that she is here to represent the Riordan Mansion volunteers. The Riordan family and RAN want to remind key administration and Board members that if the Riordan Mansion closes, it will be costly. If it is not open for a year-and-a-day it will revert to the family. The family's wishes are that it remains a generous gift to the State. They don't want it to close. She reminded the Board that the Riordan Mansion is listed on the National Register of Historic Places since 1979.

Ms. Ruggles suggested that the Board allow one Ranger to remain at the park to perform administrative duties. The volunteers would perform other duties as necessary to keep the park open, even in a limited way, until the park can come back on-line full time. She thanked the Board for their consideration and time and service to the State of Arizona and ASP.

Mr. Charles Adams, University of Arizona, addressed the Board regarding Homolovi Ruins State Historic Park. He is also the Vice Chairman of the Governor's Archaeology Commission. He stated that he is hearing mainly as an archaeologist and specifically for Homolovi where he did his research since 1985. There are a tremendous number of archaeological sites in State Parks. Protection of these sites is of great concern for the archaeological community if these parks close. They are extremely vulnerable – especially Homolovi Ruins State Historic Park which was specifically created to protect assets of the Hopi community because they were being vandalized.

Mr. Adams noted that the road that goes into the park is a public access road that, he believes, cannot be closed. If that's the case it would continue to provide access to that park. He urged the State Parks Board and staff to have at least one individual who would protect and preserve this park.

Mr. Adams pointed out that there is a very active Site Steward program in this state. However, because of budget cuts to the State Historic Preservation Office in ASP, this program has also been undercut. It is his hope that resources will be found to mobilize these Site Stewards to help them get out and help to protect these resources. There aren't enough archaeologists in this state to protect these resources. He urged the Board to work closely with the Hopi Tribe because they have become active partners in the management of this park.

Mr. Dale Sinquah, representing the Hopi Tribe, addressed the Board regarding Homolovi Ruins State Historic Park. He stated that the Tribe is very aware of the problems the budget has made on the State and the hard job and strain on the staff and Board in finding ways to keep the parks system open. That also affects their Tribe. It is difficult to keep an even keel when it comes to money and the public. He sympathizes with the Board's position.

Mr. Sinquah stated that, having said that, it is the Tribe's desire to work together to ensure that during this period of closure, that Homolovi Ruins' cultural resources are protected. Homolovi is an ancestral home to the Hopi. The Hopi way is strong and is an invisible web holding their people together. He asked that the staff and the Board continue their partnership so that they can help. They understand the park will close, but along with the closure they want to know what they can do to help with that closure. They would like to sit down and talk with staff and try to come up with ideas on how they can share in this time of need.

Ms. Andi Welsh, Director of Services, City of Sedona, addressed the Board regarding Red Rock State Park. In the early fall their staff met with ASP staff to discuss partnership options, and they are still interested in pursuing some of those options in order to keep the park open. The park is critical to the Sedona economy and the State of Arizona's economy. She estimated that 3-4 million tourists are drawn to the area yearly and the park has a tremendous impact on the area. The closure has a tremendous impact, not only on this side of the Verde Valley, but Jerome and Ft. Verde have a tremendous impact on the other side as well. Most of the visitors that come to Sedona are not just coming to Sedona; they are coming to the region. She urged the Board to continue to work with interested partners to try to keep the parks open, especially in the rural communities. She thanked the Board for their time.

Ms. Claudine Mohnney, Benefactors of Red Rock State Park (Benefactors), addressed the Board regarding the closure of Red Rock State Park. She stated that the Benefactors of Red Rock State Park is an incorporated private non-profit organization dedicated to Red Rock State Park with a mission of environmental education. They have been in existence for six years. During that time they have raised more than \$98,000 to help the park build wheel-chair accessible trails, a long-time media program for the educational program, and sponsored the Third Sunday Lectures. Most recently the Benefactors committed to funding a temporary Ranger to make it possible for them to continue their environmental education program.

Ms. Mohnney added that the park has more than 100 active volunteers who contributed more than 50% of the work force hours in the park. She believes that with the volunteers, the City of Sedona, and the Benefactors they can come up with something. The Benefactors have shown that they have the ability to raise money. She urged the Board to do everything within their powers to help them keep the park open and they will do everything in their powers to do the same.

Ms. Birgit Loewenstein, Volunteers of Red Rock State Park, addressed the Board regarding the closure of Red Rock State Park. She thanked the Board for the opportunity to address the Board. She is representing the volunteers of the park who are highly educated and very dedicated to the park. She noted that if Red Rock State Park is closed, those volunteers will look for other opportunities. She pointed out that it takes time to build a volunteer program; it takes time to train them. Re-opening of the park would not bring it back as it is now. The park would not be what it is if it were not for the volunteers. She asked the Board to consider that if they do, in fact, close Red Rock. She thanked the Board for the opportunity to address the Board.

Ms. Cindy Krupicka, President of Friends of Oracle State Park (Friends), addressed the Board on behalf of Oracle State Park. She stated that the Friends entered into an agreement with ASP before Christmas. They were to re-open the park with one Ranger to be there. Unfortunately, before the ink was dry, the legislature handed down their budget cuts. She noted that they have the volunteers to continue the programs and would like to add classes to their schedule. She stated that the Friends would like the Board to allow them to continue these classes and fund educational programs. She believes that where there's a will there's a way. She added that the Friends will continue their goal to keep the park operating. In spite of all of this, they will continue to pay for repairs. They wish the Board the very best in making the tough decisions.

Ms. Joni Bosh, former Arizona State Parks Board Member, addressed the Board. She stated that, as a former Board member, she has been watching this issue and is appalled at what she sees the legislature doing. She recognizes ASP is in a terrible bind, but closing the parks creates some huge problems: 1) vandalism at closed parks; 2) loss of parks when easements are violated; 3) loss of income to nearby towns; 4) loss of income to the system. She doesn't think there's a good answer here. She stated that she is sure she is preaching to the choir. The Board must keep the park open and the system, as small as it is, intact. The Board has heard from all the supporters and citizens who are willing to step up and partner as volunteers to get the system through these tough times. Take them up on their offers, cut back temporarily but don't close down if that's what it takes. She stated her appreciation to the Board for all their work.

Mr. Chris Strohm, Arizona State Parks Volunteer, addressed the Board regarding Sonoita Creek State Natural Area and Oracle State Park. He asked them to do as Ms. Bosh stated regarding volunteers – use them. They are here; they are highly motivated. They're here because they love the parks; they love the volunteer work. Best of all – they're free. He noted that, in the case of Sonoita Creek, which is a place he's volunteered at for four years, the Visitors Center, ironically, is closed more since the budget problems at ASP. During the last two years, it was open seven days a week, staffed by volunteers. Now that we're having this problem, get the volunteers there to keep it open on weekends. They are willing and able to work with very little Ranger oversight. As the President of the Friends of Oracle State Park said, they have obligated environmental programs and volunteers, along with Friends, (with very minimal Ranger help) can run those programs, too. Finally, he told the Board to, "Use us, use us, use us".

Ms. Carol Cullen, Tubac, addressed the Board regarding Tubac Presidio State Historic Park. She stated that Tubac is an unincorporated area. Most of the State Parks are in rural areas and many of those areas are unincorporated. That creates a different kind of problem for them to help the Board. She is here representing 11 organizations from Tubac to let the Board know that they are working hard to keep the Tubac Presidio State Historic Park (Tubac) alive. Those organizations include the Anza Trail Coalition, the Arizona Archaeological Society of Santa Cruz Valley, the Santa Cruz Valley Citizens Council, the Santa Cruz Valley National Heritage Alliance, the Tubac Center of the Arts, the Tubac Chamber of Commerce, the Tubac Community Center Foundation, the Tubac Historical Society, the Tubac Rotary, Tumacacori Managed Home Park, and the Moms for Tubac Parks (a new group). She noted that this is the third time she has stood before the Board in the last year. She pled their case to the Board in February to keep their park open. Tubac is the first State Park. She came before the Board in April to thank them and staff for keeping the park open five days a week. Tubac knows that the Board is working very hard to serve as stewards for their park. Their State Park is important to their economic viability. The new Executive Director has met with Santa Cruz County staff (their Board of Supervisors representative) and their Board of Supervisors offered assistance – though minimal – to assist in keeping their park open. Since that time, their county is unable to do that. The County Parks department has closed. Their community is very close to reaching an agreement with the County to take responsibility for their County parks. She is here now to do the same for the Board.

Ms. Cullen asked the Board to create a mechanism by which the non-profits in her community can assume responsibility for their park. Rather than private money, let them do it. Let them submit the business plan to keep it going until the Board can re-open the park. Tubac is a town where art and history meet. Help the to keep history alive in their community.

Mr. Jeff Gursh, AZ Off-Highway Vehicle Coalition and the Arizona Trail Riders, addressed the Board regarding the OHV Decal Fund. He stated that he appreciated having some of the Board's time today. He knows that these are really tough times for the Board. He apologized for being direct today. He noted that many groups are here today to save some of their funding while allowing State Parks to continue operating. Others are here to protect their own parks. In terms of paying for these hard times, OHV users have already suffered a 70% sweep of funds with more than \$10M having

gone to the General Fund and State Parks since 2003. The funds the Board is looking at today were amended out of this Special Session by the legislators because, like us, they launched a new OHV program. As he has explained before, the OHV Grant Fund, administered through ASP, represents the only tangible improvement the public will see from their purchase of the OHV decal. Without the funds for signage, improvements, maps, and law enforcement the public will see no benefit from the OHV decal fund and can easily stop paying for it. The AZ Off-Highway Vehicle Coalition and the AZ Trail Riders understand the Parks Board's problem and wish that they could make legislators understand that they need to use funds such as this and others for their intended purposes and fund ASP separately. That does not help us today. ASP is financially strapped. In the past, the Board has been forced to take or sweep OHV funds because of the budget. They respectfully ask that the Board leave the current and future OHV decal funds in place for what they were intended.

Mr. Bob Biegel, representing Off-Highway Vehicle Advisory Group, addressed the Board. He stated he was very sorry for the decisions that the Board had been forced to make today as to keeping parks open or closed. Closing and keeping parks closed will cost money. Someone will need to be there anyway to care for the facilities. Once those parks are closing, there will be no revenue coming in. His main reason for being here is as a member of OHVAG. He reiterated Mr. Gursh's comments. By law, the Board has been given more than \$600,000 in OHV funds this year alone. Regarding the Board's desire to approach the legislature to be able to use this fund for the Board's general operating expenses. As a member of the OHV community, and as part of the Board's Advisory Group, he doesn't think that's a good idea. The Board would lose total support of a group of people who generate millions of dollars in tax revenues by the use of their vehicles, by use of their gas tax money, etc. The amount of money the OHV community contributes in the State is huge. He would hate to see the OHV community lose faith in the Board by the Board even considering trying to use these funds for general revenue and general operating expenses.

Ms. Linda Ann Slay, representing the Arizona State Committee On Trails (ASCOT) and the State Horseman's Association addressed the Board. She is a trails volunteer and an ASP volunteer. She knows the Board does not want to close any parks and that the legislature has put the Board in an untenable position. She noted that the horsemen have lobbyists. She believes that they can help in the short-term with those lobbyists and volunteers. In the long term, she believes there are funding issues to be addressed. Money is being deflected away from ASP that shouldn't be.

Mr. Jerry Van Gasse addressed the Board. He noted that setting up a state parks system is the easy part; protecting it is the hard part. He remembers when the Board opened Tonto Natural Bridge State Park. He noted that they had to go out and get constituents throughout the state to contact their lawmakers who were against this purchase. Now they say it's an advantage to live in the area around the park as the place to live. That's the way it should be with all of the State Parks. We need to hold their feet to the fire. We want cooperative agreements between the local communities and the parks. He wants his children to experience what he has at the State Parks.

Mr. Mark Grenard addressed the Board. He stated that his concern is the closing of parks in general. He thanked the Board, staff, and volunteers for the work they have

done. He's listened all morning to the volunteers offering their help. He thinks the Board should take them up on their offers. The parks should be protected, as well as the environmental and educational aspects.

Ms. Adelheid Fisher addressed the Board regarding natural and cultural resource protection. She thanked the Board for agreeing to do this difficult and heartbreaking work. She lives at the foot of South Mountain and she goes to her local park almost daily. She hikes there and sees people chopping wood and riding horses, all in her backyard. This occurs during heavy visitation times when the park is fully staffed with rangers. She is concerned about finding a funding source to ensure that we don't lose our cultural heritage. Budget crises come and go but these treasures need to live on forever.

Ms. Marsha Colbert addressed the Board. She stated that she was here as a parks professional with 23 years' of experience in national, state, county, and city parks, including non-profits based here in Arizona. The most fulfilling educational experiences that she has had have been in park settings. A few years ago she had a choice of going to Florida where she had a land management position waiting for her or to be in Arizona. She chose Arizona, only to find that park closures were imminent here. She holds no confidence in both the Arizona legislature and the Governor for passing and signing these reductions. She asked that everyone consider protesting these cuts that would result in only 9 of 30 parks remaining open.

Mr. William Muir addressed the Board regarding park ownership. He stated he considers himself a customer. He moved here in the 1970s. He noted that the Board might be in the same situation as companies who find themselves having to lay off employees in order to stay in business. The State is in dire straits. He noted that there are a lot of excellent volunteers available to the parks. He knows the culture. He lives in a 55+ community. A lot of them are at a stage in their lives where they are thinking about what to do with themselves. Some don't plan to leave home. He stated that if he were the manager of this operation and he saw this going on he would make lay off the management, he would think of ways to get rid of capital equipment, and he would sell the park system to private industry with the caveat that the Board could buy it back later. Closing all the parks and giving all of the money back to the State would make the Board heroes by helping out the State with their financial problems. It would not be closing parks and would keep these volunteers working. These are harsh words; but these are harsh times.

Mr. Jeff Williamson addressed the Board. He stated that he knows this is a tough issue and that it's one that he's worked from for a number of years. There are no easy solutions. He discussed an organization known as Outdoors Arizona that is working on legislation and support services and research. They are focused on helping organizations like ASP. This week he has also worked closely with the Western Governors Association's Wildlife, Forest Activity and Open Spaces Planning Group and a much smaller group known at the Western Region Partnership, which represents the five southwestern states. They are working with the Departments of the Interior and Agriculture who are working on land use protection. Another point he wanted to make is that he believes we need to insist, as we approach the centennial, that the legislative

leadership craft a high-volume business plan for ensuring that emerging and future generations have equal access and the opportunity that we owe them. There is no excuse for irresponsible planning. He believes we need to hold our leadership accountable for ensuring that those emerging and future generations have equal access.

Chairman Woodling called for a Recess at 11:40 a.m.

Chairman Woodling reconvened the meeting at 12:00 Noon.

Ms. Elizabeth Woodin, President, Arizona Heritage Alliance (AHA), addressed the Board. She noted that the AHA represents thousands of people in Arizona who care about the Heritage Fund. She gave a brief history of the Heritage Fund. She noted that when the Heritage Fund began in 1990 the legislature began the process of removing General Fund money from ASP and little by little they have removed all General Funds from ASP. These funds were not to be used for Operations but are to be used for specific purposes, and the legislature still doesn't seem to understand that. She stated they are here to try to protect the Heritage Fund, which is in its 20th year. They are seeking solutions, at least for the short-term. One is to get people together and really get the legislature to become much more aware of what they have done. She agreed with a gentleman from Camp Verde who said perhaps the legislatures should take an oath to do no harm.

Ms. Woodin noted that there are some proposals before the Board that are terrible decisions to make. One of them, for example, is the \$3M of Heritage Funds that has been given by the legislature to the State Forester Department (which used to be part of the State Land Department) and is now somewhat separate from the Land Department. It is not appropriate for this \$3M to come out of the Heritage Fund. It belongs in ASP's budget. She suggested that the Board reach out to the public and have them donate to the ASP Foundation where the money will be safe in the 501(c) 3. The AHA would like to help in that endeavor and to work with the Board on some solutions that are positive and revenue-generating as well as getting the people together to help make the legislators more aware and do no harm.

Lieutenant Darren Simmons, Yuma County Sheriff's Office, addressed the Board regarding Law Enforcement Boating Safety Fund (LEBSF). He noted that numerous counties rely on this fund to supply officers who patrol on the rivers and lakes. If the Board sweeps that fund, they will be creating a safety issue. Because of that fund, boating incidents this year have been the lowest they've been in many years. That's a direct result of there being more officers on water who can be proactive. If the fund is swept, it will not be possible to keep the officers on the water and it will become a reactive situation. It is a safety issue for the parks and the public. He encouraged the Board not to sweep this fund. He knows that the Board wants to keep as many parks as possible, but that fund is there to put officers on the water to keep the public safe.

Chairman Woodling pointed out that this Parks Board does not "sweep" funds – the legislature does. He suggested that when people use the word "sweep" they are referring to the legislature and not this Board.

Lieutenant Alan Nelson, La Paz County Sheriff's Office, addressed the Board regarding LEBSF. He reiterated that this fund is meant to keep police officers on the water. It is a pass-through grant through ASP to fund approximately 32 boating safety officers. That being said, a recent report by the Arizona Game and Fish Department (G&F) showed that in the State of Arizona there were 60,720 hours devoted to boating safety. Out of these, there were 14,337 were hours spent on the water. At that time officers throughout the State made 5,355 on-water contacts, 3,894 received warnings; 1,712 received citations; and 365 boaters were removed from the waterways. In addition, they performed 60 days of water-related search and rescue operations.

Lieutenant Nelson added that it is estimated that officers who were funded through LEBSF performed much of that activity. If the money is taken from LEBSF for park operations, those 32 officers would either be out of a job or forced into a different position, which would mean that there would be no patrols on their lakes and waterways. It would be like a highway that was put up with no one patrolling them or city streets without any traffic law enforcement.

Lieutenant Nelson noted that currently, we are 7th in the nation with boating accidents. In 2008 the State of Arizona had 197 accidents, 124 injuries, and 6 fatalities. If there were no officers present there would have been 5,971 accidents, 3,761 injuries and 175 fatalities on the water on Arizona waterways. This money goes out for a good purpose. Again, it comes directly from boaters and taking that money away and taking those officers off the water would be disastrous for tourism, Arizona boaters, and for Arizona itself. He asked the Board to please reconsider taking LEBSF for park operations.

Lieutenant Russ Skinner, Maricopa County Sheriff's Office, addressed the Board regarding LEBSF. He noted that in addition to being a representative from the Maricopa County Sheriff's Office he is also representing the Law Enforcement Boating Officers in the State of Arizona. The LEBSF is a direct fund that is brought up from boating registrations set aside for them to provide law enforcement on our waterways. Fellow officers who are in the community of patrolling rivers and lakes within the State have given heightened statistics on what they do and see on the water. He knows that the Board has some tough decisions to make regarding financial issues. The bottom line is that taking this fund and using it for general operating expenses would have a direct impact on safety and result in guaranteed fatalities on the waterways. Per capita, Arizona is probably one of the largest in boating registrations. We are also ranked in the top 10 for boating activity in the nation. If the Board impacts this fund, it will directly impact the public.

Mr. Ron Anderson, Coconino County Sheriff's Office, addressed the Board regarding LEBSF. He stated that he is here to ask the Board to reconsider staff's proposal to take the LEBSF. The impact that proposal would have on Coconino County is that they would lose three officers and parts of their boating program. It will have a huge impact. Coconino County does not have the funds to supplement or continue these programs.

Ms. Bonnie Bariola addressed the Board regarding a message to legislature from the public. She stated that the letter that was read into the Record earlier from the legislator frightens her because it proves that they have no idea what it takes to run a state parks system. ASP has already utilized what he suggested in his letter in order to operate the

meager budget over the years. There are infrastructure and maintenance costs – not just labor costs. There will also be a cost just to close parks. She asked how the State Parks are to operate with a legislature sweeping and taking even the Heritage Fund.

Mr. Thomas Hulen, Board member of the AHA, addressed the Board regarding park closures. He stated that, like a lot of the people here today, he was disappointed to hear the Governor's State of the State address. As users of our parks, we all need to hold our legislators and our Governor accountable for taking care of our park system. He knows that there are discussions about letting other communities take over responsibility for taking over State Parks. He understands that the City of Phoenix Parks Department is getting ready to do away with adding new public roads, which he believes is a big mistake. He believes that our legislators need to be more responsible for the Arizona citizen. He believes that it's important to support the Parks Board and Parks staff and the agency, itself.

Ms. Susan Culp addressed the Board regarding closure of parks. She has made it a point to get out and see these parks. She stated that people need to remember that ASP has been starving for years and that it's not just the economic downturn. Even in good times the legislators have not funded ASP adequately. The parks meet our expectations and provide many benefits, including economic. Parks needs a new funding source for the long-term.

Ms. Cindy Sherman, Riordan Mansion Historic State Park, addressed the Board. She thanked everyone, Board members and the public, for being here. She knows it's because everyone is here because of their love of the State Parks. She stated that she has volunteered at Riordan Mansion Historic State Park for approximately three years. In the 1980s, as a teacher, she took not only children through the park, but Northern Arizona University students as well to do research they were doing at NAU. She noted that she doesn't know how legislation works. She fails to understand how the Parks system cannot be accessed. Why is it that the Parks system cannot be subsidized? She does not see how it cannot be balanced out as its own entity. She noted that recently there was a story in the paper that talked about the lady who donated, in her will, several thousands of dollars to ASP and some of it was taken away. How can that happen? These are concerns that bother her. In looking at the list of closures for parks, she noticed that every single historic park will be closed. She understands that every park has its own value and is truly unique. History, the history of this State, is our beacon and aid. Once it's gone, we won't get it back.

Ms. Sandy Bahr, Grand Canyon Chapter of the Sierra Club, addressed the Board. She stated that the Sierra Club wanted to express its strong support for ASP and for the State Parks system, including the recreational, historic, and natural area parks. She said that because she feels that if we start picking apart the State Parks system and are only concerned about "my" park, then we lose a lot of our power. That would be the road the legislature would like us to follow. She noted that the Board is in a difficult situation. Their choices have been significantly limited by the bodies down at 1700 W. Washington Street and hopes that everyone assembled here today will go to the legislature; will call their legislators; will come February 1 to attend the rally. She hopes they will direct their frustrations to the body that made the decisions that brought everyone here today. She added that if closing parks were not the last resort, the Board

would not even be talking about it. In closing, she stated that the legislature has attacked the Heritage Fund for nearly 20 years. It breaks her heart that the legislature will get perhaps two things they want: park closures and setting aside the Heritage Fund. There have been 40+ attempts to take away the Heritage Fund. The ink wasn't dry on it before the legislature was after it. She added that when we talk about closing parks, we are talking about people, too. We need to remind the legislators that there are parks, there are places, there is history, but there are also people.

Mr. Charles Eatherly, former ASP staff, addressed the Board regarding the legacy of ASP. He stated that he has seen almost 42 years of working with Board members, staff, and acquiring all the parks and properties that make up the system. He noted that there were programs in place that provided funding and opportunities for public parks and city, county, and state park for the State of Arizona. He urged the audience to talk to their legislators – it is easy and the one thing everyone can do to help the Park system. The agency's promise is service first, and they do a wonderful job of living up to it.

Ms. Cristie Statler, Executive Director of the ASP Foundation, addressed the Board regarding park closures and the budget. She noted that the ASP Foundation is an organization of volunteers and the Board's non-profit partner. The ASP Foundation Board of Directors' membership includes people from Salt River Project, Arizona Public Service, and other corporate individual partners. The ASP Foundation has a seat on the Governor's Task Force. The Foundation funds special events to draw visitors and advocates for the agency. Most importantly, the aim of the Foundation is to liberate ASP's economic message. It has been proven time and again over the last 10 years that our governmental leaders and the JLBC (Joint Legislative Budget Committee) continually ignore the fact that open parks generate \$22.7M in state and local taxes alone; not to mention the \$266M annually that create jobs throughout our state. For 50 years the agency has been investing in a grand state parks system. The foundation urges the people assembled here to use their voting programs to reiterate this message as often as possible. It is her hope that the people of Arizona will hold the legislature and the Governor accountable.

Mr. Bill Meek, President of the ASP Foundation addressed the Board regarding park closures and the budget. He noted that he has been on the Board for the past six years, serving the past two years of President. Those last two years have not been the best years of his life. He stated that 2 ½ years ago when ASP came between the crosshairs of the legislative budget process, many thought that the essence of the Parks system was protected seeing as it has visual and historic assets and that should be enough. That turned out not to be true. Two weeks ago the agency suffered \$9M in tax cuts. The legislature is trying to hold the Park system prisoner. In his mind, that's political suicide. The Foundation will support the Board. It will be extremely difficult going forward. He noted that only something like the Governor's Task Force on Sustainability of State Parks can help. He believes that there will be legislation in this session giving support along the lines of the Task Force's recommendations. He hopes that people will show the same level of support for that legislation as they've shown here today.

Mr. Ken Travous, former Executive Director of ASP addressed the Board regarding the budget. He noted that the agency's budgetary problems have not been going on for just the last year or two; it's been going on since 2002, during three administrations. There's a lot of blame to cast around. They resorted to things like Excess Balance Transfers (EBTs) and redirecting public policy to make them feel better about stealing money from the State Parks system. They finally took money from a woman's Last Will and Testimony. That's shameless.

Mr. Travous noted that it is difficult to be a Board member in these times because the biggest test is yet to come and it will be from certain legislators and others working behind-the-scenes who want to turn over the State Parks system to professional recreation companies who will make some money and eventually turn it back to the Board – and it will be nothing. He's been down that road. After working hard to come up with a fair contract and the first time one tries to enforce that contract, the other person goes to his/her legislator and says you're interfering with private enterprise. It's a nasty business. He urged the Board not to let that happen to ASP.

Mr. Travous advised the Board to do their thing; do it thoroughly and quickly. He added that people can use the voting system to hold their legislators accountable if they don't uphold the system and see that they do not return in the next Session.

Chairman Woodling noted that this is the end of the Public Comment segment of the Board meeting and that he would be calling a Recess.

Mr. Colton noted that the ASP staff would be giving a presentation to the Board later in the afternoon and invited those members of the public present to come back if they wished.

Chairman Woodling called for a Recess at 12:45 p.m.

Chairman Woodling Reconvened the meeting at 1:35 p.m.

G. CONSENT AGENDA

1. Approve Executive Session Minutes of September 11, 2009, Arizona State Parks Board meeting.
2. Approve Executive Session Minutes of November 13, 2009, Arizona State Parks Board meeting.
3. Approve Minutes of November 13, 2009, Arizona State Parks Board meeting.

Mr. Colton made a motion to accept the Consent Agenda. Ms. Westerhausen seconded the motion and the motion carried unanimously with Mr. Landry absent.

H. DISCUSSION ITEMS

Ms. Bahl thanked the Board for their hard work today. She also thanked staff. While these are very difficult times, they continue to believe in the Mission. She stated that staff will follow-up on all the partnership proposals and report back to the Board at each Board meeting. She added, to the public, that she appreciated their presence and noted that the push has to come from them. She noted that the Parks system is a public system. When they are open for the public, the public will support them.

Ms. Bahl added that the Board will have many difficult decisions to make today and that there are not many options out there that are feasible. That does not mean that staff will stop trying.

Ms. Bahl noted that staff's presentation will be much of an update from the presentation they received December 31. She added that today the Governor's Budget Office put out a recommendation. She understands that it will be at 2:00 p.m.

1. Update on budget reductions enacted in 2009 5th Special Session.

Mr. Ziemann reported that the agency's operating budget was about \$26M 11 months ago. When the Fiscal Year (FY) began July 1st, the operating budget was \$19.3M. That reduction largely resulted in the Parks system becoming seasonal. Some parks were operating five days a week rather than seven days a week. In December the legislature convened its Sixth Special Session in an attempt to cut a little less than \$200M from State government to begin to address the deficit, which is estimated to be \$1.5B, this FY. ASP had a justifiable expectation to assume that the agency would not be a part of those cuts being contemplated in December. The agency no longer received any General Fund money and was not part of the State's problem. It was well known that the Parks system was financially on the precipice and could not sustain another cut. Unfortunately that proved to not be the case. Cuts from the 5th Special Session were crafted in secret and the votes for those cuts were committed before the bill was printed. He referred to the PowerPoint presentation and referred to a slide depicting what was adopted by the legislature and ultimately signed by the Governor.

Mr. Ziemann noted that there are two terms on the slide – one is FRAT (Fund Reduction And Transfer). It means that, for each of our expected expenditures, they are reducing the Board's authority to spend monies in those amounts and then sweeping those monies into the General Fund. Even if revenues came in higher, they are reducing the Board's authority to spend those monies. That amounts to a little more than \$3M. Excess Balance Transfers (EBTs) are where the legislature sees money and sweeps it. In this case, they took a little over \$5.6M.

2. Update on revenue forecast, cash balance, operating budget, and cash flow by fund.

Mr. Ennis referred to slides in the PowerPoint presentation. He reported that the Enhancement Fund (Park Revenues) is doing fine. Staff are tracking attendance system-wide. People are still coming to the parks. Attendance is better relative to staff's forecast.

Mr. Ennis reported that the State Lake Improvement Fund (SLIF) is based on the estimated total statewide gas taxes. Even though a new formula was put in place, the agency received six months of funds based on the old formula

Mr. Ennis reported that the Off-Highway Vehicle Fund (OHV) experienced an increase in revenues last year. So far, staff's forecast (especially in December) is tracking.

Mr. Ennis noted that one area of disappointment is that our interest earnings, both because of our economy and declining fund balances.

Mr. Ennis referred to a slide that showed the amounts and accounts that the legislature took in FRATs and EBTs. He reviewed the funds affected. The amount of forced reduced spending is \$3M.

Mr. Ennis then referred to a slide that shows the Board-approved budget. The \$19M budget that Mr. Ziemann referenced was prior to the December sweeps. On an agency-wide basis there was \$19.6M. The cash balance, after the EBTs and transfer of money to the FRATs, will be in the neighborhood of \$4.9M. This is not only a cash balance problem but also a cash flow problem. Considering the seasonality of the parks, staff estimate that the agency is approximately \$3M short.

Mr. Ennis stated that the critical issue is in the Enhancement Fund. If we don't get help the agency will end the year with \$100,000 in the bank. In essence, the agency will be out of cash. He added that the Board only has two more payments to make on the Tonto Natural Bridge State Park lease/purchase.

3. Legislative Update

Mr. Ziemann reported that the legislature has been back in Session for a week. We need to make sure we are solvent this FY. The agency also has long-term issues in trying to have a sustainable source of funding for the parks. He noted that there are discussions going on at the legislature this week on both of those fronts. He stated that he expects some bills to be dropped that deal with some immediate fixes to our budget problem.

Mr. Ziemann added that in the long-term, looking at sustainable funding for ASP, he has had discussions again with members of both the House and the Senate. There appears to be support for the State Parks tax when registering one's car. He expects to see three different proposals. (He will have bill numbers and sponsors at the next Board meeting.) One proposal is a mandatory \$9 fee on residents of Arizona who drive non-commercial vehicles when they register their cars. In return, any Arizona vehicle that comes to a State Park would get in for free. It would be a bill; it would spark 108 problems. It refers to an increase to State revenues so it would require 2/3 of the legislature to support that bill in order for it to pass.

Mr. Ziemann reported that the second option is another bill which provides that the amount of the fee would be unnamed and the authority to set that fee would be left with the Parks Board. It would avert the 2/3 vote because the Board would set the fee. The precedent is the OHV sticker program that passed by the slightest of a majority at the legislature and the commission sets the fee.

Mr. Ziemann reported that the third proposal is a referral that would refer the question of a \$9 mandatory fee to the electorate in the next general election (November 2010).

Chairman Woodling referred to the second option (the Board would set the fee) and asked if that would come across as a mandatory fee or a voluntary fee.

Mr. Ziemann responded that the draft he saw is that it would be a mandatory fee but the Board would establish the amount of the fee.

Chairman Woodling asked if there is any bill that would make it voluntary for the residents of Arizona.

Mr. Ziemann responded he has not seen a version of that kind of bill. He added that he suspects there will be many, many bill introduced that deal with this issue. Right now he is only reporting on the bills he has seen from both sides of the aisle.

Mr. Scalzo questioned whether the second option would need a 2/3 vote in the legislature to pass.

Mr. Ziemann responded negatively. It would need a simple majority vote of 16 Senators and 31 Representatives and the Governor to sign it. The bill, in and of itself, is not to raise State revenues. This bill will tell the public that the Board is not funding the Park system any other way but through this bill.

Ms. Baier asked if Mr. Ziemann thought that the legislature is likely to support that proposal to allow the Parks Board to set the fees.

Mr. Ziemann responded that he was shocked that the OHV bill passed with a similar proposal, but it did. He believes that it is garnering some support. The option that has the most support is the referral because it is the one that's easiest for the legislature. Depending on what the Board does today, and how people in the audience and around the State react that might change the political world in the State.

Ms. Bahl stated that the Board has a financial problem and requires a financial solution. Staff's recommendations are based on dollars and cents; they are not based on intrinsic value or the public good of the State Parks system. It focuses only on the bottom line. She knows the Board wants to keep every park open, so does staff, and so do the communities. However, the Board's budget is severely limited and the Board cannot afford, with their budget, to keep all the parks operating.

Ms. Bahl reiterated that it is a financial problem and requires a financial solution. Staff's recommendations are based on numbers. The Board has a revenue problem. Once parks are closed, revenue will decrease. There is a cash flow problem. There is not enough cash flow to move into the next fiscal year. She added that staff's role is to rebuild the Enhancement Fund. The Enhancement Fund is where the gate fees go and that is what operates parks.

Ms. Bahl noted that as parks reopen the Board revenue from that park that reopened will generate revenue that will allow the Board to be able to open another park. That is not something the Board can look at today. We have to look at the parks we can keep open now.

Ms. Westerhausen asked, if the Board does rebuild the Enhancement Fund, would it just be more money for the legislature to sweep.

Ms. Bahl responded that the Enhancement, like all State funds, is available for sweeps. She can neither guarantee or suggest what would happen in the future.

Mr. Colton stated that he has a proposal to offer later in the meeting that may possibly that issue.

Ms. Bahl noted that the Enhancement Fund is the backbone of our operating State Parks. She stated staff are not recommending permanent disposal of any Parks property. At this time the situation must be viewed as temporary and avoid making hasty decisions.

Ms. Bahl stated that there has been a change to a proposal the Board received in their packets. She announced that that change is to amend the closing date on Ft. Verde State Historic Park from February 22 to March 29 2010. The Town of Camp Verde is putting cash on the table to keep the park operating through the end of March until a long-term agreement can be worked out. Once an agreement is in place, they will continue to keep the park open.

Ms. Bahl reiterated again that this is a financial problem and requires a financial solution. Much is still unknown and there are still many unanswered questions. In order to replenish the Enhancement Fund staff looked at a number of things in making their recommendation. Staff looked at those parks that make money and have a net revenue or a low net cost. These are essentially the parks that are self-sustaining. Because there is an immediate financial problem, staff looked at those parks that have busy summer seasons. She noted that there is an immediate cash flow problem in getting to the next FY. We are about \$3M short. Cash flow could be something such as loans (something the Board would pay back) that would not add to our appropriation but would be paid back in the future.

Staff recommends the Arizona State Parks Board authorize the Executive Director to amend or maintain the current status for the following parks to either remain closed or use alternate operation. The staff recommendation includes suspending FY 2010 funding for Boyce Thompson Arboretum and suspending the reservation-only educational programs at Oracle State Park.

- Boyce Thompson Arboretum State Park,
- Jerome State Historic Park,
- McFarland State Historic Park,
- Oracle State Park,
- San Rafael State Natural Area,
- Sonoita Creek State Natural Area,
- Verde River Greenway and
- Yuma Quartermaster Depot State Park.

Staff recommends the Arizona State Parks Board authorize the Executive Director to close the following State Parks on Monday, February 22, 2010 at 5:00 PM MST.

- Homolovi Ruins State Park,
- Lyman Lake State Park and
- Riordan Mansion State Historic Park.

Staff recommends the Arizona State Parks Board authorize the Executive Director to close the following State Parks on Monday, March 29, 2010 at 5:00 PM MST.

- Roper Lake State Park,
- Fort Verde State Historic State Park,
- Tombstone Courthouse State Historic Park
- Tubac Presidio State Historic Park, and
- Yuma Territorial Prison State Historic Park.

Staff recommends the Arizona State Parks Board authorize the Executive Director to close the following State Parks on Thursday, June 3, 2010 at 5t:00 PM MST.

- Alamo Lake State Park,
- Lost Dutchman State Park,
- Picacho Peak State Park,
- Red Rock State Park and
- Tonto Natural Bridge State Park.

Staff recommends the Arizona State Parks Board authorize the Excecutive Director to keep the following parks open to the public if a near term \$3,000,000 cash flow solution is secured:

- Buckskin Mountain State Park,
- Catalina State Park,
- Cattail Cove State Park
- Dead Horse Ranch State Park,
- Fool Hollow Lake Recreation Area,
- Kartchner Caverns State Park,
- Lake Havasu State Park,
- Patagonia Lake State Park and
- Slide Rock State Park.

Mr. Ream referred to slides contained in a PowerPoint presentation. He stated that, using the criteria outlined by the Director (total expenditures, total revenue, net revenue or cost, and seasonalities) staff divided the parks into four groups – A to D. He noted that all of the revenues are from FY 2009, the last year that all of the parks were physically open. Six of the parks have net revenue. They make money above their expenses. All have total revenue exceeding \$300,000 every year. These nine parks together contribute 75% of the agency's total Enhancement Fund Revenue. Staff recommends that the nine parks that remain open going into the new FY are: Buckskin State Park, Catalina State Park, Cattail Cove State Park, Dead Horse Ranch State Park, Fool Hollow Lake Recreation Area, Kartchner Caverns State Park, Lake Havasu State Park, Patagonia Lake State Park, and Slide Rock State Park.

Mr. Ream referred to a slide depicting visitation and noted that each group had a different scale so they will show some movement. He explained each scale on the slide. He noted that the top of the scale was Lake Havasu during spring break.

Mr. Scalzo noted that Buckskin State Park seems to stick out from all of the parks.

Mr. Ream agreed but added that, in looking at all them, Buckskin is fifth in total revenue. They have a very high revenue. It relies on its camping facility. Buckskin doesn't have a slow season – it has a steady season.

Chairman Woodling noted that Slide Rock has a high point in the summer. He asked how it does in December and January. He asked what would happen if Slide Rock were closed for four months when visitation would be low.

Ms. Bahl responded that the Chairman might recall that the Board's action last fall closed Slide Rock during the slower season two days a week. There are issues in closing a park and walking away as we know from looking at all of these

recommendations. It is something the Board can consider, but we also need to remember that the time for staff training to reopen a park needs to be weighed. She agreed that staff should be looking at slower season parks and have been moving park staff around accordingly.

Mr. Ream then discussed the Group B parks. These are parks that operate at minimal cost to the agency. They also have total revenues exceeding \$150,000 per year. There is a mix of recommended closure dates that represent seasonalities that will be discussed on another slide. He reported that staff recommend Alamo Lake State Park, Lost Dutchman State Park, and Picacho Peak State Park close on June 3; Roper Lake State Park, Tombstone Courthouse State Historic Park, Tubac Presidio State Historic Park, and Yuma Territorial Prison State Historic Park close on March 29, 2010.

Chairman Woodling noted that Tombstone Courthouse is very important to the town of Tombstone. He noted that it has a net revenue cost of \$53,000. A lot of the tourists who come to Tombstone come year-round. Summer is also a big time there.

Mr. Ream responded that staff have been talking to the Mayor of Tombstone and their Chamber of Commerce about exactly what we are doing at Camp Verde.

Mr. Ream then referred to another slide that tops out at 25,000.

Mr. Scalzo asked if Roper Lake is the park that has the ADA platforms for fishing.

Mr. Ream responded affirmatively.

Mr. Ream then discussed a slide regarding Group C parks. He noted that there are some anomalies. He referred to a slide showing the scale used and stated they went from 65, 000 to 25,000 and down to 15,000 on the scale. This group includes some of the lowest visited parks in the agency. They include a lot of the historic parks that don't see a lot of visitation. He noted that Lyman Lake has low revenue and high expenditure and is scheduled to close early. Tonto will be closed due to high expenditures.

Chairman Woodling asked if the Board needs to make those lease payments regardless of whether Tonto is open or closed.

Ms. Bahl responded that the Board is currently required to make the payments. Staff are exploring every option available to avoid paying it up to a year. Even a few months will help with cash flow. Staff are also trying to get absolved of it for the FY.

Chairman Woodling noted that Tonto is the only park in the surrounding area. It is scheduled to be closed on June 3, its busiest time. He wondered if something can be done with that payment.

Mr. Scalzo noted that, in looking at the graph, Lyman Lake's busiest time is in the summer.

Mr. Ream responded that Mr. Scalzo is correct. However, the agency would have to go through six months of slow season at Lyman Lake before it picks up in the summer. Even at that, its total revenue does not quite meet the criteria of the Group A parks of more than 300,000.

Mr. Ream then discussed the slides for the Group D parks. These are truly unique parks. These are parks that are currently closed or are somewhat unique. There are

eight parks in this group: Boyce Thompson Arboretum State Park, Jerome State Historic Park, McFarland State Historic Park, Oracle State Park, San Rafael State Natural Area, Sonoita Creek State Natural Area, Verde River Greenway, and Yuma Quartermaster Depot State Park. He then discussed staff's recommendation for each park.

Mr. Ream reported that for Boyce Thompson Arboretum, staff recommends suspending financial support for FY 2010. The Arboretum is expected to remain open and operated by our other partners – the University of Arizona and the Boyce Thompson Foundation.

Mr. Ream reported that Jerome State Historic Park remains closed because of stabilization.

Mr. Ream reported that McFarland State Historic Park is closed. Stabilization is complete but staff recommends it remain closed due to the high net cost of operation.

Mr. Ream reported that Oracle State Park will remain closed and staff recommendations discontinuing the reservation-only environmental education programs.

Mr. Ream reported San Rafael State Natural Area has never been open to the public and staff recommends that it remain closed.

Mr. Ream reported that the Patagonia Lake State Park staff will possibly manage Sonoita Creek State Natural Area.

Mr. Ream reported that the Dead Horse Ranch park staff will manage the Verde River Greenway.

Mr. Ream reported that the Yuma Quartermaster Depot will continue to be leased to the City of Yuma for the remainder of its three-year lease with two options to renew – for three additional years and three additional years.

Mr. Ream referred to several slides that related to budgeted expenditures, estimated revenues for FY 2010, and projected expenditures and revenues for FY 2011. He noted that all projected expenditures and revenues continue to be refined.

Mr. Armer requested an explanation of the significant drop in revenue throughout from the FY 2009 figure and the estimated FY 2011 figure.

Mr. Ream responded that it is due to reduced operations. Staff also plan to adjust the fees for Kartchner Caverns State Park.

Mr. Scalzo asked about staffing at Kartchner Caverns State Park.

Mr. Ream responded that full-time staff were reduced and supplemented it with seasonal staff.

Mr. Ream discussed another slide that related to Groups B and C parks and assumes that the agency would continue to operate and be open to the public at their current rate in FY 2010 and through FY 2011.

Mr. Ream noted that a park that is closed two days a week and only operating five days a week is potentially closed three months a year. Staff have to take into consideration almost 1/3 less visitation opportunities. He noted that staff talked with the Park

Managers and the Regional Managers to find out if they expected their visitation to go up or down. Research and Marketing had an expectation that visitation would go up 50% this year, but changed that to a 1% increase. The numbers have moved a lot.

Mr. Colton asked how the agency deals with Annual Passes.

Mr. Ream responded that if an Annual Pass is sold at Lake Havasu, that total revenue is awarded to Lake Havasu State Park. If an Annual Pass is sold at Roper Lake, it is counted as Roper Lake State Park revenue.

Ms. Bahl added that there is no science on how to allocate that money. Staff have found that the park where people purchase their passes is the park where they visit the most, but not necessarily exclusively.

Mr. Colton asked if there is a breakdown on where the Annual Passes are sold.

Ms. Bahl responded positively.

Mr. Ream referred to slides relating to Group C estimated revenues for FY 2010 to 2011. It assumes that they would stay open for these two FYs. These parks would have a total estimated net cost in 2010 of \$1,254,000 and for 2011 it would be \$1,149,000.

Chairman Woodling noted that if these parks closed in February, there would be little expense as far as staffing or running the park. He asked if that savings could be transferred to the cost of closing

Ms. Bahl responded that that's a good and valid point. The cost of closure could be higher in some parks than others. The only difference is, more from staff's standpoint, is that Development money can be used to close parks because we will run out of Operations money. The Enhancement Fund money will run out. Staff will not have the ability to make expenditures for operations. However, the Chairman is correct. In some cases it may cost as much to close a park as it does to keep it open for some period of time. She expects that the Board will use State Parks' Heritage Fund Acquisition and Development money that were typically used for projects after major maintenance. Staff would see this as a project. It is money under ASP's purview to be used at State parks.

Chairman Woodling asked if that money was previously swept.

Ms. Bahl responded positively. She noted that there's not a lot of money there but staff will have to shift priorities to ensure that the resources are protected and facilities are secure. That will have to be one of the top priorities.

Chairman Woodling stated that his question is, because some of the costs to close are so high, why not keep them open.

Mr. Scalzo noted that what everyone is seeing is the Board walking the various scenarios.

Mr. Ream noted that this concluded his portion of the presentation.

Mr. Scalzo noted that he was not sure of how proceed from here.

Chairman Woodling noted that Item I.2. remains on the Agenda. It is different from this issue. He suggested that staff proceed to Agenda Item 2 before taking any action on Agenda Item 1. In some ways, these two Agenda items are tied together.

2. **Consider Endorsing Statutory Remedies for FY 2010 AND FY 2011 to Maximize Agency Operating Budget** - Staff recommends that the Board endorses all statutory and administrative remedies to maximize State Parks Board operating dollars and cash flow. These remedies should be pursued immediately for both the FY 2010 and FY 2011 budgets.

Ms. Bahl stated that she has gone through the various options for the Board. It is important to remember that the Parks Board does not have authority to make statutory changes. Only the legislature can do that. It would require staff discussions with elected officials who have authority over the issue (i.e., the legislature and the Governor). If any of these recommendations were to go forward, it is important for the Board to understand that staff is recommending they be temporary. They would be part of a Session Law designed to help with the current FY budget or a Session Law on the budget this year for last year. Staff is not recommending permanent statutory changes but is offering to the Board access to all the available monies that are out there and the restrictions that go along with them. She noted that they are not great solutions, but staff would not be doing their jobs if they didn't put them before the Board.

1. Staff recommends lifting the 20% per entity cap in the Local, Regional and State Parks and Trails portions of the Heritage Fund so Arizona State Parks (ASP) can use it for operating State Parks and for State Parks' trails on the State Trails System. This could read as: "Notwithstanding A.R.S. § 41-503.C, all of the Local Regional and State Parks (LRSP) and Trails components of the Heritage Fund may be used for ASP operations." This would increase the agency's operating budget by \$3.9M annually.

Ms. Bahl referred to slides from the PowerPoint presentation. She noted that the first parts of the staff recommendation relate to the State Parks Heritage Fund. The first deals with the Local, Regional and State Parks Fund portion of the Heritage Fund and the Trails portion of the Heritage Fund. It would cap the amount any single entity could get to 20% so that ASP could use all of the LRSP for State Parks and all of the Trails money for trails on the State Trails system within ASP.

2. Staff recommends allowing the Natural Areas Acquisition portion of the Heritage Fund to be used for agency operations. This could read as: "Notwithstanding A.R.S. § 41-503.D.1, the Natural Areas Acquisition component of the Heritage Fund may be used for ASP operations". This would increase the agency's operating budget by \$1.7M annually.

Ms. Bahl stated that the second portion is a portion of the Heritage Fund that is for State Parks and for Natural Areas Acquisition. That recommendation would be to have that and "notwithstandings" waived for this year and next. That money could be used for

State Parks operations. She does not foresee that the Board will be acquiring land next year. With this and the above recommendation, there might be \$1M available from the Heritage Fund.

3. Staff recommends discontinuing the transfer of monies (\$3M) from the Heritage Fund to the State Forester (3rd Special Session, Ch. 5, Section 13), and allow those monies to be used for State Parks' operations.

Ms. Bahl reported that the third option relates to monies from the current year and last year's budget of \$3M from the Heritage Fund that were or are expected to transfer to the State Forester. Half of the money is due to the Forester today, so the Board should consider that \$1.5M gone. The second \$1.5M is expected to be directly transferred on April 15.

4. Staff recommends allowing the Law Enforcement and Boating Safety Fund (LEBSF) to be used for State Park law enforcement. This could read as: "Notwithstanding A.R.S. § 5-383, the Law Enforcement Boating Safety Fund may be used for ASP operations". Also delete footnote Laws 2009, 5th Special Session, Chapter 1, Section 3.C: "Monies transferred pursuant to subsection A of this section shall not be transferred from the law enforcement and boating safety fund established by § 5-383, Arizona Revised Statutes." This would increase or backfill the agency's operating budget by \$2M annually.

Ms. Bahl reported that the fourth option relates to the LEBSF that was discussed during the Public Comment portion of this meeting. There is a law in the footnotes attached to the budget that the Board should be aware of that says monies can be transferred, or backfilled, out of this fund for any other purposes. It would bring a little over \$2M. Staff's recommendation would be that the Board pursue this for State Parks law enforcement.

5. Staff recommends allowing the project monies in the Off-Highway Vehicle Recreation Fund be used for agency operations. This could read as: "Notwithstanding A.R.S. § 28-1176, the Off -Highway Vehicle Recreation Fund may be used for ASP's operations". This would increase the agency's operating budget by \$1.5M annually.

Ms. Bahl stated that the fifth option relates to the OHV fund that was discussed in Public Session as well. It is project money that would allow the Board to use for operating purposes. It would require a statutory change. The Board cannot make that change on their own.

6. Staff recommends elimination of the FRATs and EBTs enacted in Laws 2009, 5th Special Session, Chapter 1, primarily in State Lake Improvement Fund, Enhancement Fund, and Heritage Fund.

Ms. Bahl stated that the sixth option deals with the reductions and sweeps that staff reviewed earlier to go back to the legislature and look for some relief or reduction that was enacted. We would focus on monies that affect operations, which would include SLIF, the Enhancement Fund, or the Heritage Fund. This would require legislation and be sent to the Governor.

7. Staff also recommends pursuing at least two measures that will help with cash flow, although they will not increase the agency's operating budget: Eliminate the Kartchner Caverns Special Line Item, allowing all Enhancement Fund revenues to be used for all agency-wide operations, enhancing agency cash flow management; and extend the General Fund bridge loan repayment of \$1.9M (Laws 2009, 1st Regular Session, Chapter 12, Section 59) to the end of FY 2011. The loan is currently due June 30, 2010.

Ms. Bahl stated that the seventh option deals with cash flow issues that may not be straightforward in understanding. The first is that there is a special line that, in budgetary terms, impedes the Board's ability to cash flow the agency. It doesn't change how much money we have or what we do with the money. It gives the flexibility to add a last-minute change that would be part of the budget. She noted that the Board received a loan of \$1.9M from the General Fund for the current year that is due June 30th. A one-year extension on that load would get the Board \$1.9M closer to the \$3M problem. That would be a huge help. It does not give the Board more appropriation authority or expenditure authority but it helps cash flow. It requires legislative action.

8. Staff recommends pursuing remedies under Laws 2009, 5th Special Session, Chapter 1, Section 3(A) which allows an agency to request a cash transfer between its own funds to comply with the law's reductions and transfers. This request requires Joint Legislative Budget Committee (JLBC) review. Staff would bring a specific recommendation to the Parks Board at a future meeting.

Ms. Bahl discussed the eighth option. The law that was passed in Special Session Law allows the agency to transfer funds within the agency from one account to another. It requires that the transfer be brought before the Joint Legislative Budget Committee (JLBC) and the Comptroller. The JLBC must review it and give a favorable or an unfavorable decision.

9. Staff will analyze all open State Parks projects and grant projects, and will make specific recommendations to the Parks Board to reallocate monies as appropriate.

Ms. Bahl added that the ninth option is coupled with the eighth option. Staff need to look at in all available money, including but not limited to, ASP funding and grant money. Options eight and nine will not create additional revenue to the Parks Board. Staff are letting the Board know that these are options that are out there that can be discussed at future meetings.

10. Staff will explore a line-of-credit, a state-funded loan, or any other mechanism to enhance the agency's cash flow into FY 2011 and bring findings to the Parks Board at a future meeting.

Ms. Bahl reported that a tenth option relates to the cash flow option. The agency needs a \$3M cash solution. It could be a loan; it could be a combination of extending the law to get a new law; and it could be something else. Staff are open to any cash flow solutions they can find.

11. Staff will explore getting an extension on the Tonto Natural Bridge lease-purchase payment. In August 2010, \$373,800 is due.

Ms. Bahl noted that, lastly, staff will explore getting an extension on the Tonto Natural Bridge lease-purchase payment (\$373,000) due in August 2010. Any extension, even later in the FY will help with the agency's cash flow problem.

Ms. Bahl stated that this is all the money and all the options staff can come up with. She does not want the Board or the audience leaving this meeting thinking that the Board has ultimate authority. Staff will continue to meet with and have discussions with the legislature.

Chairman Woodling noted that options eight, nine, ten and eleven are things staff will do anyway. He asked if staff still wanted Board approval to proceed.

Ms. Bahl responded that staff would like the Board's endorsement. On options eight and nine, staff will come back to the Board at its February meeting with a proposal.

Chairman Woodling asked if staff would pursue a line-of-credit and work on an extension of the Tonto payment.

Ms. Bahl responded affirmatively.

Chairman Woodling invited comments from the Board provided they related to options one to seven.

Mr. Colton referred to option four. He asked how much of what the Board would take from the fund for law enforcement would be used for law enforcement and boating safety on the State Parks.

Ms. Bahl responded that the majority of the parks remaining open are lake parks. The agency has 50 law enforcement officers – not all related to the lake parks. ASP rangers do not patrol the lake parks but respond and are at parks to monitor them.

Mr. Colton suggested that the agency should only take what is necessary for law enforcement on the State Parks and leave the rest of the money where it is.

Ms. Westerhausen noted that she had a question relating to patrolling the lakes. She asked if that is up to the counties and sheriff's offices.

Mr. Ream responded that ASP law enforcement officers at the lake parks generally have a patrol boat. They usually respond on the lakes in cases of emergencies. There are not sheriff patrols on Patagonia Lake, Alamo Lake, and Fool Hollow State Parks. At those parks, it's only ASP or Game and Fish with officers on the lake. Law Enforcement

officers do not get up in the morning and put boats on the lake as the sheriff's offices do.

Mr. Scalzo added that, having been a County Director of Parks, he can say that the sheriff's office has responsibility on the lakes in this State in their jurisdictions. That's why Sheriff's Offices around the state are here today. They have responsibility to patrol the lakes. They expend more money than is available to them.

Ms. Westerhausen noted that when the Board started facing this budget crisis, the Board concluded that keeping parks open was their first priority. However, having heard about the important safety issues regarding LEBSF, she believes she would add law enforcement as an additional priority.

Ms. Westerhausen added that, with respect to option five, the OHV Recreation fund, this fund appears to be even more promised and pin-pointed in the fact that people pay money that is to go to a specific use, even more so than fishing or hunting tag fees or other private fees people pay. She feels a great deal of distaste to do the same thing to the OHV decal fund that the legislature is doing to everyone. Along the same line, she has to say the same about the Heritage Fund, especially options one and two. It seems to her that the Board is engaging in the same sweep mentality that the legislature has and are being forced to let our constituency down. Perhaps it is time to say this is not acceptable and that we cannot do this to the Heritage Fund, the LEBSF, and to the OHV decal fund.

Mr. Scalzo stated his agreement with comments on options four and five. The Board should stay away from the LEBSF and OHV funds as long as possible. He's doesn't see a great current priority of the Natural Area Acquisition portion of the Heritage Fund. He doesn't see why the Board wouldn't want to utilize that money in the Natural Area Acquisition fund. He disagrees with his colleagues and believes that should be used for State Parks. He generally agrees with Ms. Westerhausen on option one.

Mr. Colton stated he concurs with Mr. Scalzo. The only reason he would not agree with option two is that the Board is not going to have any natural areas acquisitions at this time. He would prefer to stay away from the LEBSF. He agrees with Ms. Westerhausen on the OHV fund as well.

Ms. Baier stated that she would agree with Mr. Colton's comments. She also declared a potential conflict with option three and wouldn't comment on that option. With the exception of option three, she would support the viability of the others and recommend that staff explore them.

Board Action

Mr. Armer: I move that the Arizona State Parks Board endorse those statutory and administrative remedies outlined in numbers two and six through eleven to maximize State Parks operating cash flow and that these remedies be pursued immediately for the FY 2010 and FY 2011 budgets.

Mr. Scalzo seconded the motion. The motion carried with Mr. Landry being absent.

Board Action

Mr. Armer: I move that the Arizona State Parks Board endorse those statutory and administrative remedies as outlined in item three (related to the State Forester) to manage the Arizona State Parks Board's operating cash flow and that these remedies should be pursued immediately for both the FY 2010 and 2011 budgets.

Mr. Scalzo seconded the motion. The motion carried unanimously with Ms. Baier abstaining and Mr. Landry absent.

Ms. Westerhausen stated that, since the Board has voted on portions of the remedies, she would ask the people in some of these groups such as the LEBSF, the Heritage Fund, and the OHV, to not just support their own personal causes, but to join the Board, as many of today's speakers asked, in supporting the entire park system so we are not divided and that we can conquer.

Mr. Colton noted that in discussions on how to keep the Enhancement Fund from being swept, it occurred to him that the Board does not have an alternative to the Enhancement Fund that is capable of being swept. He noted that there is no fee to get into a museum but they do ask for a significant suggested donation. He requested staff to explore the possibility of turning the numbers in our fee schedules into becoming suggested donations specific to where the donation goes. This could be a key to keeping that money swept. The current fees would be the suggested donations. He asked staff to report back in February as to whether this idea is feasible.

Ms. Hachtel asked if Mr. Colton is asking staff to check into this recommendation and bring it back to the Board at its February meeting.

Mr. Colton responded that it could replace one of the recommendations the staff has brought to the Board today.

Ms. Hachtel recommended that the Board direct staff to explore this recommendation and bring it back to the Board at its February meeting. She preferred that the Board not take action on this proposal at this meeting.

Mr. Armer noted that there are three options that have not been approved to this point. He suggested that staff look at what happens over the next 30 days as far as the budget is concerned. The Board may need to readdress those options. He suggested that they be kept on the table, but put them aside for the time being and see what happens.

Ms. Baier stated she believed that that was reasonable under the motion the Board passed. She asked if staff feel they have received clear enough direction. She wished that the Board didn't have to do any of this, just as everyone else feels. There is a compelling argument that all avenues need to be explored. Her feel is that staff have an obligation to continue to explore and that there is no urgency at this point and that nothing is actually going to happen.

Mr. Armer noted that he didn't see the Board doing anything to preclude the staff from continuing to pursue their exploration of remedies.

Ms. Westerhausen noted that, sitting here now without knowing what the Governor's budget proposal is, the emphasis is on the items that the Board made part of the motion today.

Chairman Woodling then returned to Agenda Item I.1 relating to park closures.

BOARD ACTION ITEMS

1. Consider Plan to Close State Parks to Meet Agency's Reduced Operating Budget.

Board Action

Mr. Colton: I move that the Arizona State Parks Board authorize the Executive Director to amend or maintain the current status for the following parks to either remain closed or use alternate operation. This includes suspending FY 2010 funding for Boyce Thompson Arboretum and suspending the reservation-only educational programs at Oracle State Park. These parks are: Boyce Thompson Arboretum State Park, Jerome State Historic Park, McFarland State Historic Park, Oracle State Park, San Rafael State Natural Area, Sonoita Creek State Natural Area, Verde River Greenway, and Yuma Quartermaster Depot State Park.

Mr. Scalzo seconded the motion.

Mr. Colton noted that all of these motions are made reluctantly. The Board is trying to make the best of a bad situation.

Chairman Woodling stated he would like to make a comment on this group of parks. He noted that Sonoita Creek would be watched over by Patagonia Lake State Park. That park seems to be fairly stable. Staff need to work with the ranchers in the San Rafael area. Dead Horse Ranch will still maintain Verde River Greenway. Except for Jerome, McFarland, and Oracle there's not much of a change in terms of what has been going on.

Chairman Woodling called for a vote on the Motion on the Floor. The Motion carried unanimously with Mr. Landry being absent.

Board Action

Mr. Colton: I move that the Arizona State Parks Board authorize the Executive Director, due to the current budget reductions, to close the following State Parks on Monday, February 22, 2010 at 5:00 p.m. Mountain Standard time: Homolovi Ruins State Park, Lyman Lake State Park, and Riordan Mansion State Historic Park.

Mr. Scalzo seconded the Motion.

Mr. Armer stated he wished to make a few comments on these park closures. He stated his hope that the audience understood that the Board didn't have many options; he asked them to keep up their level of interest and not go home and assume that the problem is gone; that this Board will work hard to reopen these parks as soon as they can. Lastly, we all need to get behind whatever effort comes before the legislature to get some permanent financing in place so we don't go through this year after year.

Mr. Scalzo added that it is extremely difficult to close any parks. He recognizes how important Lyman Lake is to the St. Johns area. It is painful to take this action. People need a place to go for recreation that is affordable. Unfortunately, due to the lack of foresight on the part of our elected officials the Board is forced to do this.

Chairman Woodling called for a vote on the Motion on the Floor. The motion carried unanimously with Mr. Landry being absent.

Ms. Westerhausen that the Board are hoping these actions are temporary. What the public bring to the table will help the Board avoid this crisis in the future.

Board Action

Ms. Westerhausen: I move that the Arizona State Parks Board authorize the Executive Director, due to the current budget reductions, to close the following State Parks on Monday, March 29, 2010 at 5:00 p.m. Mountain Standard Time: Roper Lake State Park, Tombstone Courthouse State Historic Park, Tubac Presidio State Historic Park, Yuma Territorial Prison State Historic Park and Ft. Verde State Historic Park.

Mr. Armer seconded the motion.

Mr. Colton stated that there are a couple of parks on this list that are dear to his heart and it is difficult for him to take this action.

Chairman Woodling called for a vote on the Motion on the Floor. The motion carried unanimously with Mr. Landry absent.

Board Motion

Ms. Westerhausen: I move that the Arizona State Parks Board authorize the Executive Director, due to the current budget reductions, to close the following State Parks on Thursday, June 3, 2010 at 5:00 p.m. Mountain Standard Time: Alamo Lake State Park, Lost Dutchman State Park, Picacho Peak State Park, Red Rock State Park, and Tonto Natural Bridge State Park.

Mr. Colton seconded the motion and the motion carried unanimously with Mr. Landry being absent.

Board Action

Ms. Westerhausen: I move that the Arizona State Parks Board authorize the Executive Director to keep the following parks open to the public if a near term \$3M cash flow solution is secured: Buckskin Mountain State Park, Catalina State Park, Cattail Cove State Park, Dead Horse Ranch State Park, Fool Hollow Lake Recreation Area, Kartchner Caverns State Park, Lake Havasu State Park, Patagonia Lake State Park, and Slide Rock State Park.

Mr. Scalzo seconded the motion and the motion carried unanimously with Mr. Landry absent.

Board Action

Ms. Westerhausen: I move that the Executive Director entertain any plan or proposal offered from a potential partner or community to operate a park planned for closure and that staff analyze such plans and proposals and bring recommendations to the Arizona State Parks Board. Mr. Scalzo seconded the motion and it carried unanimously with Mr. Landry absent.

Mr. Colton stated that he recognizes and appreciates the work staff do day in and day out. He noted that they do not deserve this. The Board hope that this situation will end sooner rather than later and that a way will be found to make the system whole.

Ms. Baier noted that she had occasion to have discussions lately with former Board member Mr. Cordasco. Every time they talk he asks how ASP is doing. He is very anxious and concerned about the agency and the people in it. She thanked staff, particularly those who participated in this meeting for their hard work. It must be difficult for each one.

Chairman Woodling added that he wanted staff and Board to realize that the legislature is in session; there is some hope on pending bills. He noted that the next Board meeting will be prior to February 22 and sometimes miracles do happen. He noted that this Board has taken action on some very difficult and tough items. He also believes that the Board has done some very positive things today. He was encouraged by the partners who came forward from the audience today to help try to keep these parks open. That is the silver lining that is coming out of this mess.

Ms. Westerhausen stated she heard something about a rally on February 1st and asked for details.

Mr. Jeff Williamson gave details on the rally. He noted that a number of organizations will be at the legislature for Environment Day on February 1st. This year the focus will be on ASP

Ms. Bahl stated that, before the Board moves on to Agenda Item J she would like to go back to the Legislative Update. She announced that the Governor has released her budget. She is attempting to look at it online so she can give the Board an update. The two pieces that will probably be of interest to most people relate to the Land Conservation Fund and a redirection of lottery revenue that staff will have to analyze, and to the Heritage Fund.

Mr. Ziemann added that from what he sees from legislative staff that reflects directly to the Board is that the Governor's budget is on the elimination of the LCF and sweeping the entire \$100M that sits in that fund into the General Fund to resolve the budget crisis and transferring all Lottery revenue to the General Fund (including the Heritage Fund) and cancelling all outstanding Heritage Fund grants. The Governor has the Board's Enhancement Fund revenue as \$8.5M.

Ms. Bahl noted that staff has only been able to look at it for 60 seconds. Staff will need to take a good look at it.

Mr. Colton stated that, if that's the case, we have a collective huge fight on our hands.

Ms. Baier noted that that proposal should be online and that people can look at it on their computers.

Ms. Bahl reminded the Board and public that this is the Governor's budget; the legislature's budget should follow next week. That is when negotiations begin on coming up with a budget.

J. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

1. Staff recommends that the next Arizona State Parks Board meeting be held on Wednesday, February 17, 2010 in the Valley.

Ms. Bahl noted that the date of February 17 is certain; the location will be in the Valley.

2. Arizona State Parks Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.
3. The Board Meetings for the rest of 2010 will be held on the third Wednesday of the month and are as follows:

Wednesday, February 17, 2010

Wednesday, March 17, 2010

Wednesday, April 21, 2010

Wednesday, May 19, 2010

Wednesday, July 21 or Wednesday, August 18, 2010

Wednesday, September 15, 2010

Wednesday, October 20, 2010

Wednesday, November 17, 2010

K. ADJOURNMENT

Mr. Armer made a motion to adjourn; Ms. Westerhausen seconded the motion. The motion carried unanimously and the Chairman Adjourned the meeting at 3:50 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a

Arizona State Parks
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January 15, 2010

sign language interpreter, by contacting the acting ADA Coordinator, Nicole Armstrong-Best; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

Reese Woodling, Chairman

Renée E. Bahl, Executive Director

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DISTRICT 26

COMMITTEES:
-APPROPRIATIONS
*VICE CHAIR
-NATURAL RESOURCES,
INFRASTRUCTURE AND
PUBLIC DEBT
-VETERANS AND MILITARY
AFFAIRS
-PUBLIC SAFETY
AND HUMAN SERVICES

January 14, 2010

Ms. Renee Bahl, Director
Arizona State Parks
1300 W. Washington St.
Phoenix, AZ 85007

Re: Measures That Can Be Taken to Support Arizona State Parks

Dear Director Bahl:

First of all, I enjoyed talking to you yesterday regarding the above noted. We are both committed to protecting our state park system for the full benefit of all Arizona citizens and visitors to your beautiful state. Second, I want to recap four measures that I believe will help our state park system through this ongoing budget challenge that our state is facing.

1. Inmate Labor: The City of Douglas saved, conservatively, 1.5 million dollars last year using inmate labor to fill pot holes combat graffiti, refurbished buildings, etc. I believe our park system can also benefit from this type of cost saving opportunity, I suggest that you contact the Mayor of Douglas, the Douglas City Manager, the Douglas Prison Complex Warden and/or Director Chuck Ryan at the Arizona Department of Corrections to see how Douglas saved this large amount of money last year and in previous years.

2. Camp Host Programs: I understand that this program using R.V. visitors is working out in an outstanding manner at Oracle State Park. I believe that Camp Hosts can be used at every one of our state parks to man the entrances seven days a week. I also believe that they can man gift shops etc. 80% to 85% of the budget of almost every state government department is spent on salaries and benefits for state full time employees (FTE's). Expanded use of the Camp Host Program will be a major cost savings for your department and state of Arizona.

3. Cattle Grazing: I request that you look into the possibility of ranchers grazing cattle, for a fee, on state park land. This is already done on state and federal land.

4. Volunteers- The USA is a nation of volunteers and donations. The combined value of these selfless efforts exceed 350 billion dollars a year. We are the world wide leader in this area. The Friends of Oracle State Park personify this great American tradition. Most of the FOSP live in my community of SaddleBrooke. They are dedicated to keeping Oracle State Park open, not only on weekends but throughout the week, year round. I request you and your board to work with the FOSP for them to realize their goals for Oracle State Park. Please do the same thing at all of our other state parks.

On my part, I will follow up on what you mentioned in our conversation:

- Swept funds- exceeding \$213,000
- Heritage Funds
- License Plate Fee
- Off Highway Vehicle Program

As we discussed yesterday, let us touch base next week regarding the contents of this letter. Please make sure that this letter is given to your board at or before their meeting this coming Friday. I request that this letter be discussed at that board meeting. In closing, I want to state that I subscribe to the proposition that in life, there are no insurmountable problems, there are only countless opportunities.

Best regards,

Al Melvin
**Proudly Serving Arizona's 26th
District**

Arizona State Parks
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COMMITTEES:
MILITARY AFFAIRS AND
PUBLIC SAFETY, CHAIRMAN
NATURAL RESOURCES AND
RURAL AFFAIRS
WATER AND ENERGY

DISTRICT 12

January 14, 2010

Executive Director Renee Bahl
Arizona State Parks
1300 W Washington
Phoenix, AZ 85007

Dear Director Bahl:

It is my understanding that staff is recommending to the Parks Board that all funds under State Parks' control be taken for use by the Department for its operating fund. Please let me know if that is not in whole or in part correct. If that is the plan, it is extremely disturbing to me.

You may be aware that in the 5th Special Session in December, I worked very hard to have an amendment put in place that avoided the sweep of the OHV sticker funds. I did this because I believe it is wrong to have people participate in good faith in this program to fund recreational amenities they use on public lands with money from their own pockets only to have it taken as if it were a tax on the general public. It is not.

I am also mindful, and so should you and your staff be, that sweeping these funds would likely result in a lawsuit that the state would lose while spending yet more money it does not have defending what is likely indefensible.

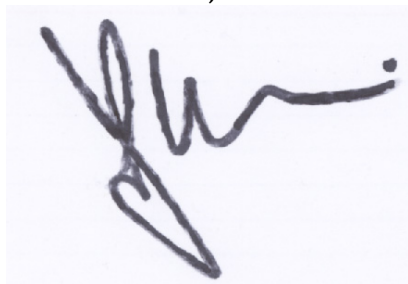
On top of all that, I feel particularly passionate about this issue since I sponsored the program so that it could ensure safe, well maintained places to ride while protecting the environment we all enjoy throughout our beautiful state. As a legislator and a small business owner, I understand very well the havoc and despair the current economic bad times have created. And all areas touched by government must participate in the pain of this unprecedented budget deficit. The OHV program has more than taken its hits. The gas tax money (which is contributed to by OHV use at a higher rate than it gets back even in the best of times) has been taken. And since 2003, three-quarters of a million dollars has been swept from OHV into the Parks operating fund each year. It is also my understanding that Parks has taken its full statutory allotment for administration from the fund.

All that is left is the sticker money. Especially in tough times, we ask people to be creative to help stretch state dollars and to help find ways other than the general fund to pay for the things they want from government. OHV users have done exactly that. They have reached into their pockets and paid for their own grant program. I insisted on that amendment last month because we must not send the message to all citizens that we really are not sincere when we ask them to step up to the plate to help us provide services like the trail programs, and to the sticker purchasers in particular the message of "we fooled you once," to which the response will surely be "but you will not fool me twice." That money will cease to flow and what will you sweep then? And where will you get the money to fight the lawsuit.

If my understanding of the approach planned by staff and what is on the agenda for Friday's meeting is correct, then there is no other conclusion but that it is irresponsible for you to allow your staff to suggest to the Parks Board members an ill-conceived course of action that legislators backed away from less than one month ago with respect to the OHV sticker funds. I am outraged by it and I will not abide it. And I am therefore demanding that you immediately remove the item calling for the OHV sticker money to be converted to the parks operating budget from the agenda for the upcoming meeting on Friday, and that the idea of the Parks Board taking that dedicated user funded money be utterly abandoned going forward.

Further, it is high time that those funds be opened up for grants so that they may be used for the only purposes intended under Arizona law. To that end, please provide me with an indication as to what is currently in the fund and the anticipated funding of any grant applications that have been submitted as well as explaining the Department's process for accepting grant application submissions at this time.

In Your Service,

A handwritten signature in dark ink, appearing to read "Jerry Weiers", with a stylized flourish at the end.

Representative Jerry Weiers
District 12
Chairman Military Affairs and Public Committee

Board of Supervisors District 3



A.G. "CHIP" DAVIS
Supervisor, District 3
10 S. Sixth Street
Cottonwood, AZ 86326
(928) 639-8110
chip.davis@co.yavapai.az.u

January 14, 2010

Chairperson and Members of the Arizona State Parks Board
Arizona State Parks
1300 W. Washington
Phoenix, AZ 85007

Re: Fort Verde and Jerome Historic State Parks

Dear Honorable Chairperson and Members of the Arizona State Parks Board:

We respectfully request that the State Parks Board table the closures of Fort Verde and Jerome Historic State Parks until March 2010 while partnerships form to keep them open.

We met with the Town of Camp Verde, Town of Jerome, Historical Societies and Chambers of Commerce to discuss ways to keep the parks open. Yavapai County and all entities mentioned are committed to forge successful partnerships to accomplish this challenge.

We are confident that by your March Board meeting we will have a detailed proposal for your consideration. Thank you for your support.

Best regards

A.G. "Chip" Davis
Board of Supervisors, District 3

Cc: Renee Bahl, Executive Director, Arizona State Parks
Jay Ream, Assistant Director, Arizona State Parks
Senator Steve Pierce, District 1
Representative Andy Tobin, District 1
Bob Burnside, Mayor, Camp Verde
Mike Scannell, Town Manager, Camp Verde
Tracie Chimikowski, Executive Director, Camp Verde Chamber of Commerce
Shirley Brinkman, President, Camp Verde Historical Society
Al Palmieri, Mayor, Jerome
Candace Gallagher, Town Manager, Jerome
Lisa Rappaport, President, Jerome Chamber of Commerce
Jay Kinsella, President, Jerome Historical Society